

Expert Group Meeting on Promoting Best Practices  
On sustainable Rural Livelihoods in the ESCWA Region  
Beirut, 24-25 November 2010

**LIVELIHOODS APPROACH AND SUSTAINABLE  
AGRICULTURE, FOOD SECURITY AND RURAL  
DEVELOPMENT: A PERSPECTIVE FROM LEBANON N**

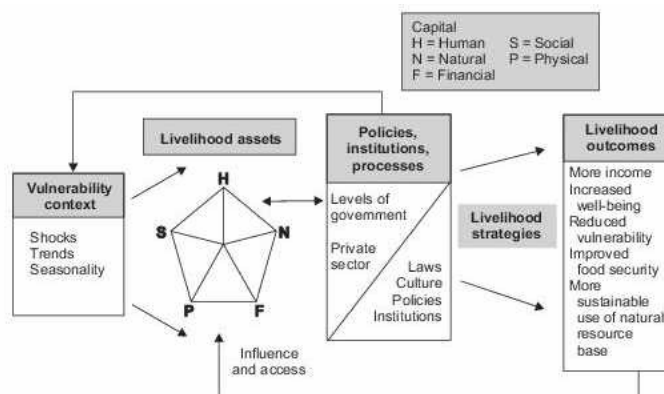
*by*  
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# Livelihood Approaches and Sustainable Agriculture, Food Security and Rural Development

## Lebanese Perspective

Presented by: Salah Zoghaib

## SLA Framework

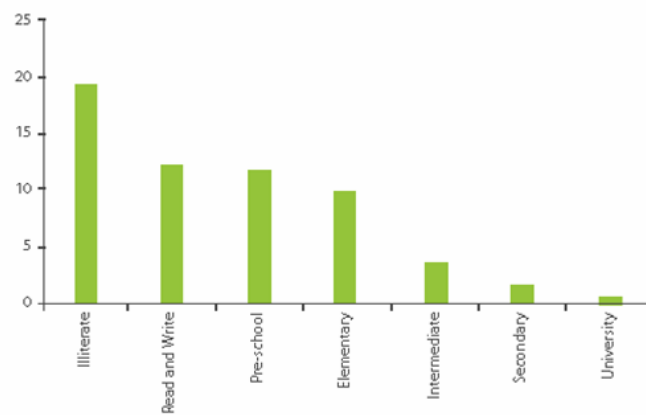


# Human Capital

- Education and Information
- Health

## Education

Extreme Poverty Rates by Educational Status of the Head of Household (2004-5)



## Illiteracy among farmers

- 77% of farmers are either illiterate or have only basic education
- Only 13% are younger than 35 years of age
- 8 agriculture schools are available that attracted 18 students in 2009

## Information

- Limited
- Biased
- Not standardized
- Absent in the media
- Internet connection is limited in quantity and quality

## Health

- More than half of water resources are contaminated
- Less than half of the population is covered by safety nets and insurance
- Uncovered people are relying on political health services

## Social capital

- Interaction among communities is diminishing
- Trust among people is minimal
- The voice of poor is unheard if present
- Local development is hidden by political conflicts
- Successful cooperatives are scarce

## Natural capital

- Continuous aggression on environment
- Forests for timber
- Rivers for waste disposal
- Renewable energy is negligible (0.6%)
- Ozone depletion substances control succeeded
- Biodiversity is decreasing
- Bio-piracy is not controlled
- Bird population is declining
- Bee hives are plummeting

## Land

- Small arable area not exceeding 300 000 Hectares.
- Hilly landscape
- Only 50% of total land is surveyed
- Under the pressure of urbanization, incomplete formalization and fragmentation
- Extensive agriculture is not possible due to small land holdings

## Water

- The famous statement that Lebanon is endowed by his rich water resources is becoming part of the beautiful history
- Half of irrigation water is coming from deep wells causing high cost of crop production
- Shortage in total water supply starts in 2010 by a negative gap of 119 MCM and by 2030 it will be 722 MCM
- Slow public spending on national irrigation sector, though funds are available.

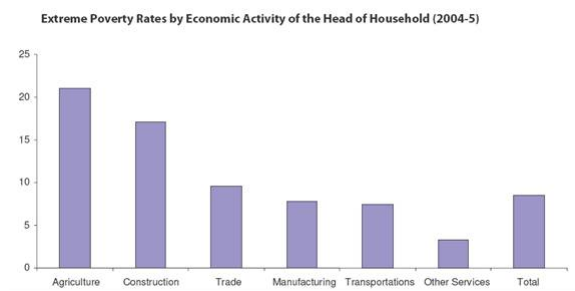
## Food security

- Lebanon does not produce enough food for national consumption
- In 2008 the gap valued \$3.4 billion (850 USD per capita)
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## Physical capital

- Infrastructure being an expensive investment and a commitment to operate and maintain it in the long run is rarely found in Lebanon
- Only 2 000 Hectares are covered till now out of potential 22 000 Hectares because of the historical political conflicts. Many experts believe that the current flow of Litani river is currently not adequate anymore. 60 years were wasted in a 15 years cost recovery.

## Financial capital





## Public subsidies

- Public subsidies are decreasing while poverty is increasing
- sugar beet and wheat subsidies are cancelled
- Tobacco subsidy is diminishing
- Export plus program is in his last year

## Credit facilities to Agriculture

- It never exceeded 1% of total credit facilities
- The regional distribution of bank credits in 2004 reveals that the areas dominated by agriculture activities have very modest share in total credit facilities, as Bekaa's share is around 3.1 percent, while South Lebanon and Nabatiyeh attract only 3.13 percent.
- The absence, or scarcity, of financial institutions, mainly Banks, in the peripheral areas where agriculture is considered as major activity.
- The relatively high cost of the credits provided to the agricultural sector as its activities are usually associated with high financial risks
- The stringent requirements in terms of collateral for credit seekers from among agricultural businesses, mainly the small farmers
- The lack of necessary and sufficient legal formalization of land tenure system that would facilitate the collateral to credits.
- The complete absence of financial products designed for the agriculture, as well as the absence of insurance products that cover the risks associated with the sector.
- The relatively low capability of farmers, mainly the small ones who are majority, to prepare feasibility studies and business plans to get financial credits.
- Micro-credits are inadequate for agricultural sector since the risk is high.

## Kafalat Program

- Kafalat offers subsidies to lenders to mitigate the interest rate imposed by commercial banks and guarantees the loans
- Almost half (48%) of the loans were allocated to Mount Lebanon, compared to North 20%, Bekaa 18%, South Lebanon 14%
- The average domestic saving are one of the lowest internationally with -7 percent of GDP
- Usury in rural areas is abundant
- Agricultural input companies provide some credit

## HASAD Project

- **HASAD Facts and figures**
- Total cost: **US\$16.6 million**  
Approved IFAD loan: **US\$4.0 million**  
Approved IFAD grant: **US\$598,000**  
Duration: **2010 - 2016**  
Directly benefiting: **6,280 households**  
Co-financing:
- **OPEC Fund for International Development (US\$8.4 million)**
- Status: **Ongoing**
- **Partners**
- [Ministry of Agriculture](#) (Green Plan)

- Natural Capital: Define priorities; irrigation water shortage
- Physical Capital: The establishment of several water storage facilities
- Human Capital and physical capital: Define synergistic and complementary activities
- Financial capital: access to credits
- Social Capital: Define the parties involved

## Farmers service centers

- **Outputs 1: Human Capital Support**

Vulnerabilities of technical expertise origins and market intelligence are faced by the technical assistance to farmers on farm level, including the training on water conservation irrigation practices, in addition to production, protection techniques along with post harvest discipline. The FSCs will be equipped by a communication center with one mission; to collect market price of produce on daily basis from all district wholesale markets of Lebanon. The direct impact of this service will be the better visibility to market trends on farmer's level leading to better bargaining power.

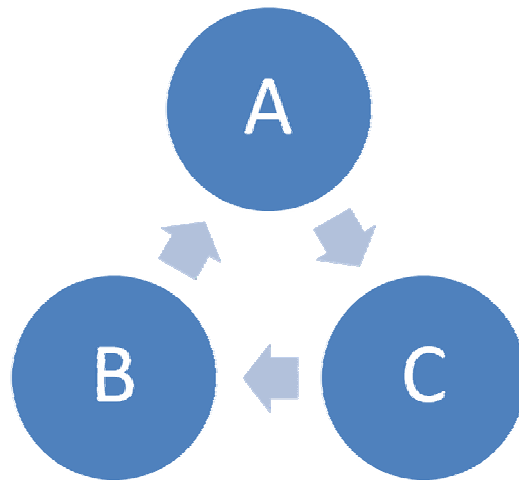
- **Output 2: Social Capital Support**

Vulnerabilities of non collaborative practices and market congestion origins are faced by assisting farmers to organize themselves through the support and upgrade of already existing cooperatives and the establishment of new cooperatives where applicable. The cooperatives shall be trained to collective procurement of inputs that will definitely help in getting better deals. Market congestion control measures through cold storage facilities and small food processing units will be financially and technically supported by HASAD

- **Output 3: Financial Capital Support**

Vulnerabilities originating from financial reasons are faced by developing the access to interest supported credit schemes through the assistance of preparing business plans on farmer's and cooperative levels

## IRDP credit scheme



## Current Situation Younine



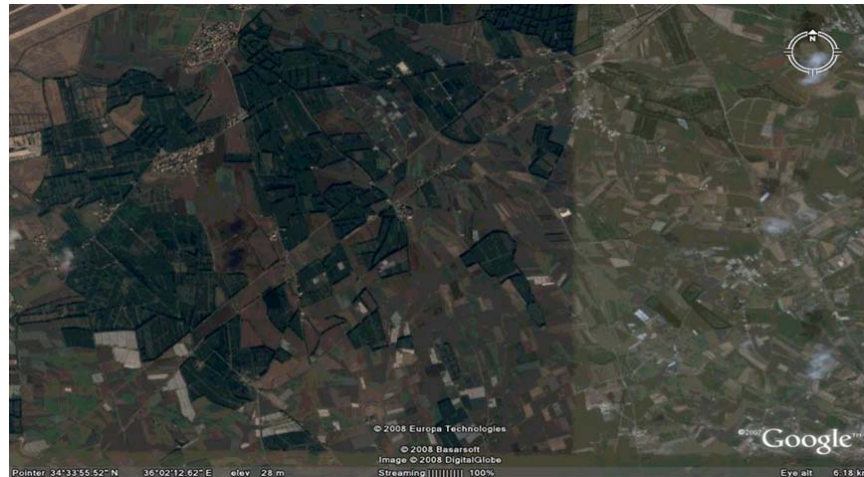
## Current situation in El-Quaa and Hermel



## Central and West Bekaa



# North Lebanon



Thank you